

EXHIBIT L

Seeking Alpha ^α

The 6 Red Flags Of Creative Edge Nutrition

Jul. 23, 2014 4:18 AM ET

by: Matthew Finston

Summary

- Without a license to sell marijuana, I project a -97.5% downside, valuing FITX at a maximum \$5 million.
- When an inaccurate article appeared in Forbes Magazine touting that FITX had a license to sell marijuana, FITX falsely claimed the story was true.
- In 2013, insiders were issued a total of 75.92% of the o/s. A shareholder who was issued 12.5% has been sued by the SEC for orchestrating a Pump and Dump.
- CEO of FITX, Bahige (Bill) Chaaban, sold and proposed to sell the maximum allowable amount of shares from April to June, or 33,424,175 personally taking in over \$2.1 million.
- President/Secretary/Director of RXNB, Dr. Sam Alawieh, had to issue a nationwide recall last year for products produced out of his pharmacy Rxtra Solutions.

The Cult of FITX

To date, Creative Edge Nutrition (OTCPK:[FITX](#)) is the most beloved Canadian marijuana stock in the market. Fans of the company are so gung-ho that they are selling t-shirts that say "FITX-Long" or "I-Billieve" (as in president and CEO of FITX, Bahige "Bill" Chaaban). Any criticism of the company is met with an onslaught of vitriolic denunciation. Even the CEO of FITX encourages this closed-minded rhetoric by similarly denouncing the naysayers.

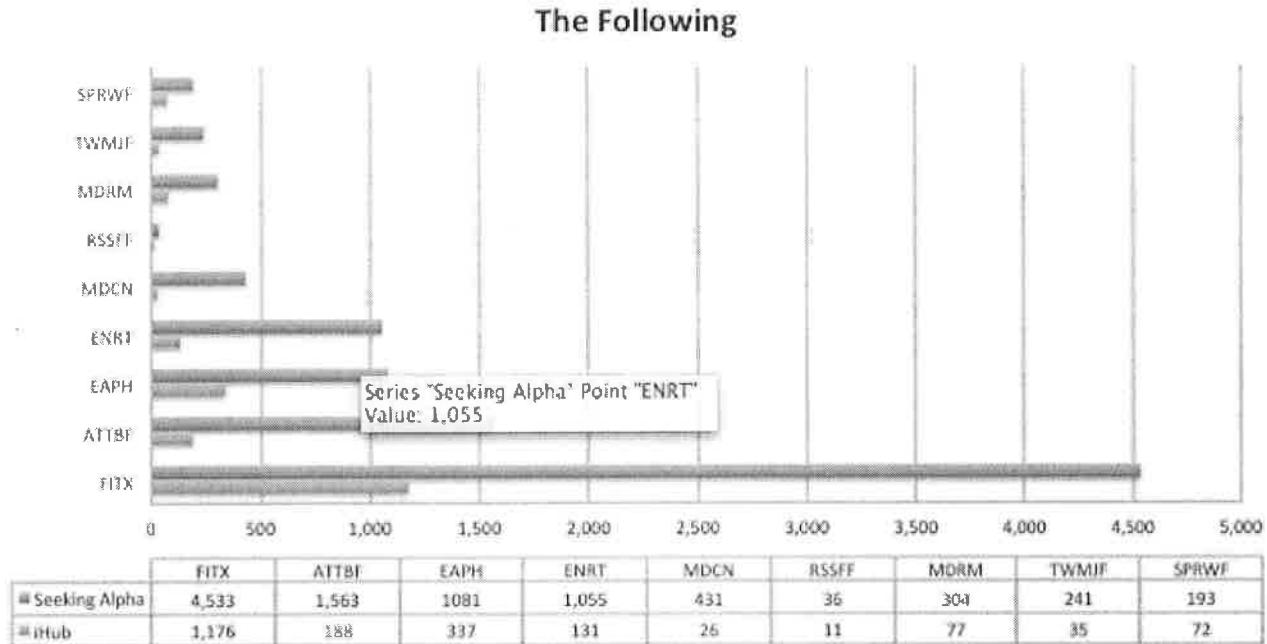
Bill Chaaban, FITX CEO:

"I applaud all of you arm chair critics who always find a criticism... Maybe if one were to contemplate the achievements thus far and ask themselves what part of the story has not been told that has attracted such talent?... Oh wait... **that would take an unbiased opinion and some intellect.** Sorry that most of you have been most likely burned in the past by poor investment strategies or advice... I continue to give 100% to FITX and its shareholders."

This kind of pomposity has been praised by Bill's followers. It has made Bill an iconoclast of sorts. Bill has been given monikers such as "Wild Bill" for his outlandish rhetorical strategies via social media.

The adoration for this company borders on cult-like fanaticism. But why the enthusiasm? What has FITX done to deserve its following? And boy does it have a following.

(click to enlarge)



FITX's following makes very little sense at first. It doesn't have a license to sell nor grow medical marijuana. It trades on the pink sheets. And it is just a nutraceutical company with less than \$5million in sales YTD.

The 6 Red Flags: Enjoy the Ride

There are 8 red flags the SEC says are warning signs for microcap fraud:

1. SEC trading suspensions (the SEC has suspended public trading of the security).
2. E-mail and fax spam recommending a stock.
3. Insiders own large amounts of stock.
4. False or exaggerated press releases.
5. "Guaranteed" high investment returns.
6. Unsolicited offers, including through social media.
7. Pressure to buy RIGHT NOW.
8. No net worth or income requirements.

I have come up with 6 red flags of my own, some of which overlap.

1. Highest valued Canadian Pot stock despite not having a license to sell marijuana.
2. Misleading and potentially false press releases.
3. The controversial 12.5% stakeholder who is undergoing SEC investigation.
4. 75% insider ownership who were issued shares at .001.
5. Bill Chaaban, CEO of FITX, dumping shares.
6. Questionable existence of RXNB prior to November 2013.

Combined, these issues make FITX seem like less than a viable investment.

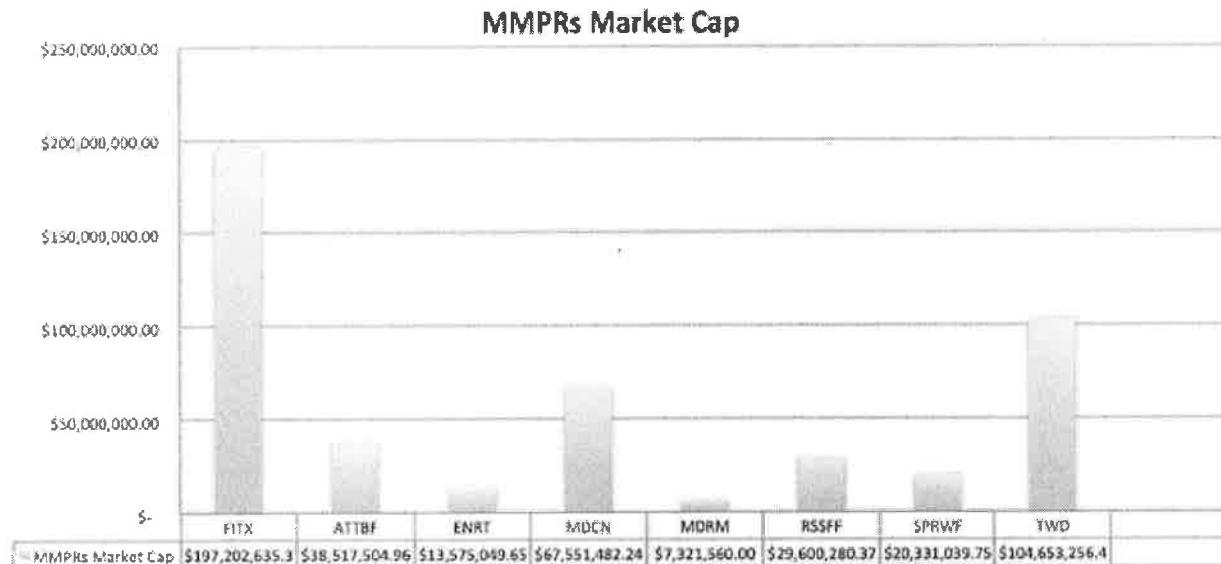
I have broken this article into a series where I discuss in more detail these red flags.

Red Flag #1: FITX The Most Expensive MMPR Applicant

On April 1st, 2014, Canada's MMPR (Medical Marihuana Purposes Regulations) program went into effect. This program gave the right for corporations to buy, sell, grow, and destroy dried medical marijuana to patients with a prescription from their physician.

The prospect of investing in a company that sells marijuana created a frenzy in the pot stock world. I have identified eight companies that have expressed in press releases their intent to legally sell marijuana. Only one of them, however, currently has an MMPR license. It may or may not surprise you that company is valued roughly half that of FITX.

(click to enlarge)



FITX is clearly the most expensive company right now. Tweed Marijuana (OTC:TWMJF), a company currently licensed to grow and sell marijuana, is valued about half that of FITX. The combined market caps of fellow MMPR applicants OTCQX:ATTBF, OTCQB:ENRT, OTCPK:MDCN, OTCQB:RSSFF, and OTCPK:SPRWF equal roughly \$176.9 million, which is still \$20.3 million shy of FITX's \$197.2 million market cap. And unlike FITX, ATTBF, ENRT, and MDCN all have received local municipal zoning approval for at least one of their facilities. But thanks to the promotional efforts, investors still perceive FITX as cheap.

FITX's \$200 Million Market Cap

FITX's astronomical market cap casts a long shadow over its "competition." At one point during the year, the company was worth nearly \$350 million at .11 a share.

For the most recent quarter, it recorded revenue from the sale of 7.5% of the 25% interest in the net revenue for the barn it built in Canada. Essentially, an investor paid \$5 million for 7.5% interest of 25% interest of a facility currently not producing marijuana.

In addition, the company recorded \$169,007 in revenue, although the company does not explain the source. Presumably, it was from the sale of nutraceuticals. This is probably because currently, "the company operates in only one business segment, namely the development, marketing and sales of nutraceuticals and health supplements." Last year, the company recorded \$524,725 in revenues from nutraceuticals. It appears that sales of nutraceuticals have decreased by -68% YoY. FITX isn't doing so well in the nutraceutical business. On the other hand, it is doing tremendously well in the selling what appears to be 1.8% of its building for a whopping \$5 million.

Red Flag #2: False and Misleading Press Releases

On March 25th of 2013 promised potential shareholders of its intentions of entering the medical marijuana industry by selling "Hemp-plex" vitamin supplements. The response was enthusiastic. However, that enthusiasm quickly evaporated. They tried the same stunt on April 18th, 2013. In a press release, FITX announced that their "Hemp-Plex" would be ready by May. The response wasn't as enthusiastic. In the same PR, the company said they would have a CBD product in the near future.

"With Our Amino Plex and Hyper Infusion ready for sale the week of April 22, 2013, and the Hemp-Plex ready for early May delivery the Infused Hemp Oil was the natural progression."

The company also paid for stock promotion at this time. I was however able to find a newsletter for which FITX compensated SquawkBoxStocks.com, a web property owned by Tribeca Investments Ltd. Tribeca Investments Ltd. has been compensated "up to \$65,000 for the release of this email on FITX by a third party - Winning Media." At that time, FITX's idea of entering the medical marijuana sector "via Hemp Protein Powder."

(click to enlarge)



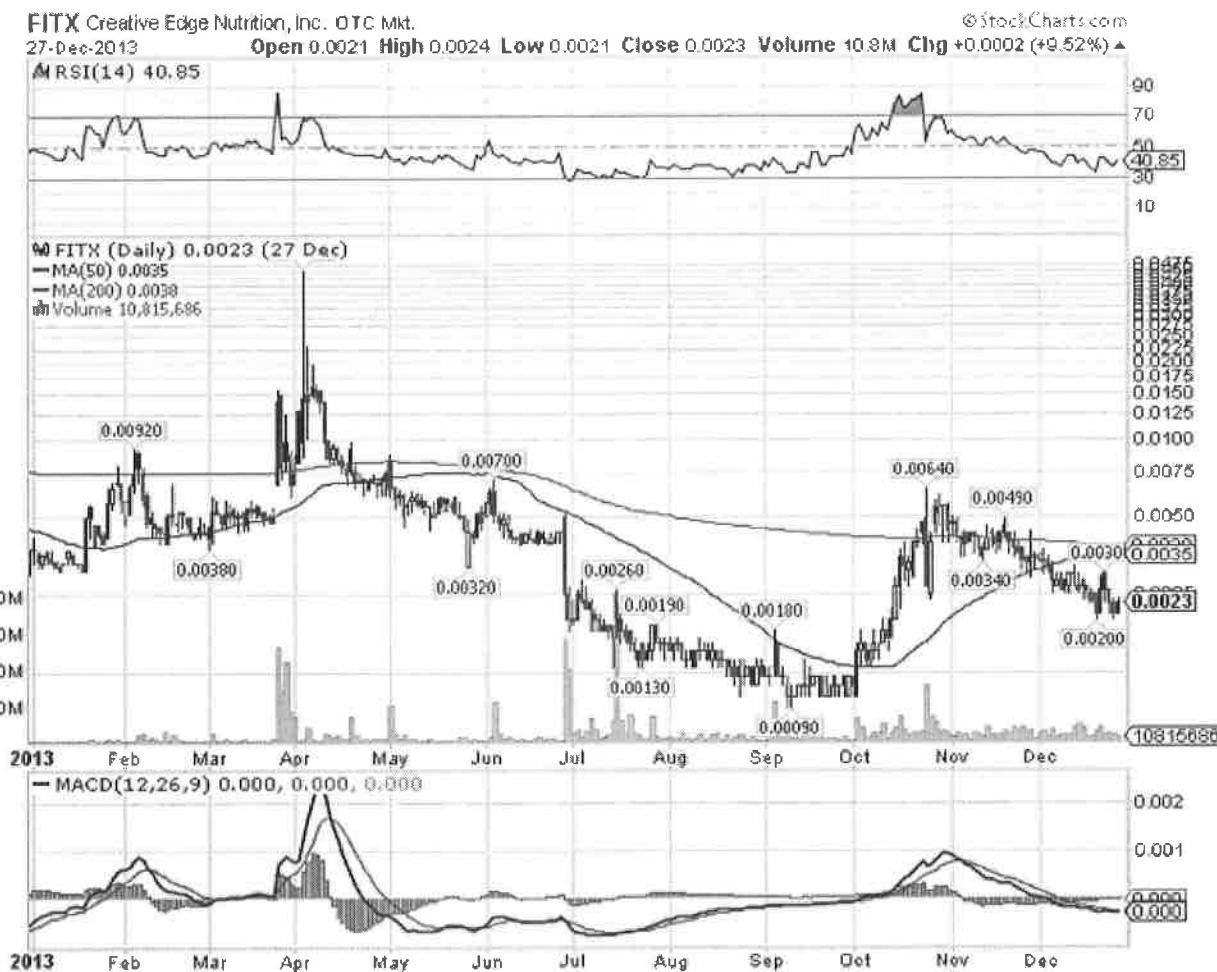
The promo caused a quick run up, doubling the stock and it subsequently tanked -75%.

From Hemp-Protein to MMPR

Not until September 5th, 2013, did FITX announce intentions of becoming a licensed MMPR in Canada. An MMPR license would allow the company to grow marijuana.

"Cen Biotech Inc. was formed with the sole purpose to obtain licensure to build Medicinal Marijuana facilities adhering to all local legal requirements."

(click to enlarge)



The market did not react immediately to the news. It took several subsequent press releases for the market to rally.

The next day, September 6th, FITX announced that it would utilize Endexx Corporation (OTC Pink: EDXC) "Seed to Sale" technology for its future medical marijuana facility. Reaction from the market is negligible.

Interestingly, the stock did not rally on November 19th, 2013 when the company announced that its subsidiary "**CEN Biotech, Inc. Leases Property for Medical Marijuana Product and Sales.**"

It might be due to the fact that the company only leased a six-acre site with

"A 26,400 square foot (240'x110') steel barn and a 2,000 sq. ft. building located on the property. CEN Biotech, Inc.'s purpose of incorporation is to produce and sell medicinal marijuana in jurisdictions where it is allowed by law."

Somewhere along the road, this six-acre site would become "home" to the world's largest most advanced nonexistent marijuana facility/barn.

Is FITX To Build the World's Largest Most Advanced Marijuana Facility/Barn?

In an interview with CEO of FITX, Bill Chaaban, blogger Chris Parry challenged the CEO about its claims of building the world's largest marijuana facility. Bill denied this at first.

"I've never said that in any news release I've put out."

So Bill isn't building the world's largest marijuana facility? Only a few minutes later in the interview, Bill did say of his future facility:

"It will be the largest in Canada, and the world. We'll do everything in our power to make that happen"

So does Bill believe he will build the "largest [facility in] . . . the world?"

Caught in a Lie

A press release issued November 21, 2013 stated that FITX "has broken ground to start the build-out of a 58,000 sq. ft. building for its medicinal marijuana operation." The press release went on to inaccurately claim that it had "**the required municipal approval as required by law.**"

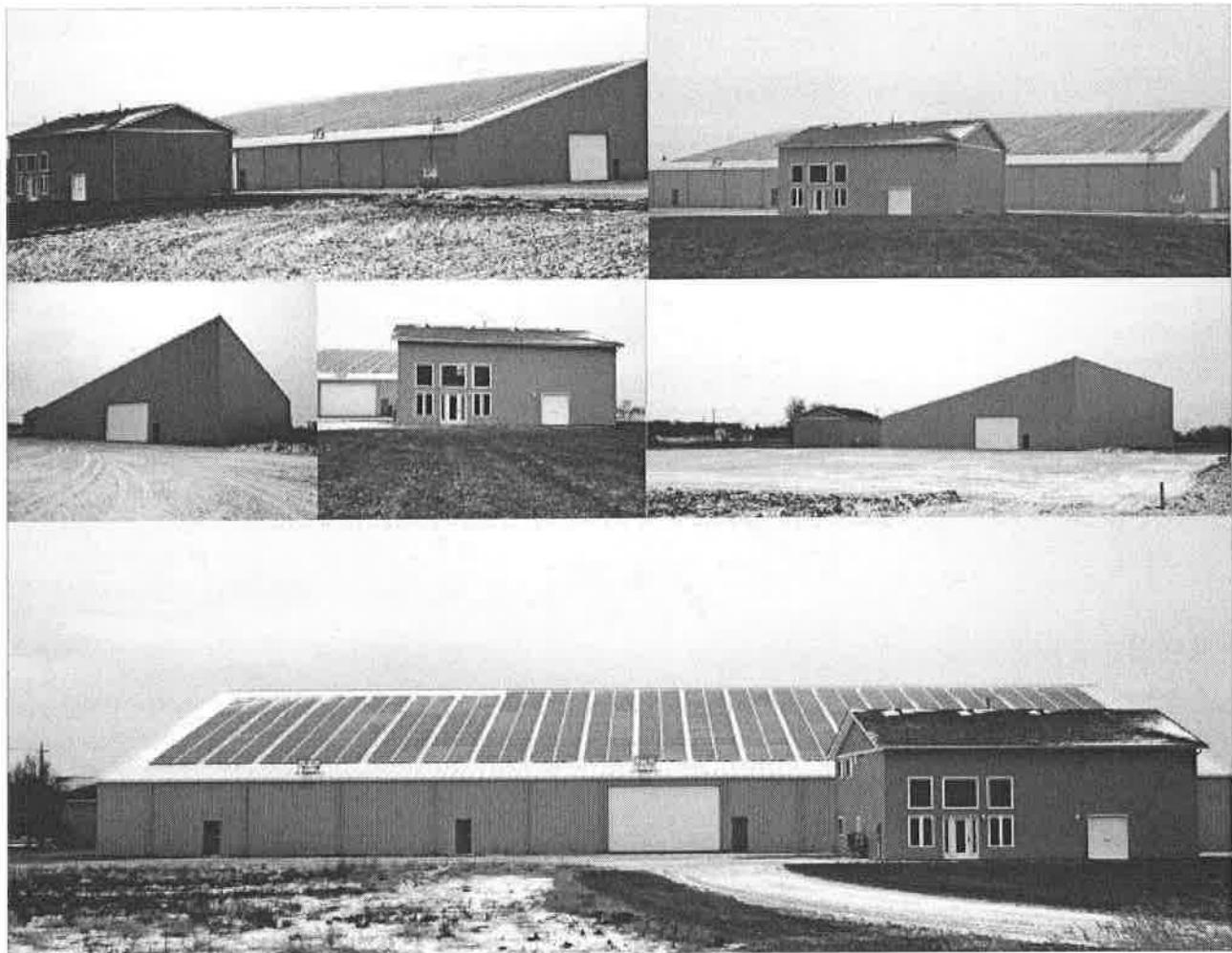
The problem with this was that it was misleading and bordering on being outright false. The company cited a blog written in the Windsor Star, which does state, "Council was supportive of the proposal, saying the industry posed no concerns because it will be highly regulated." However, the article **did not** say Cen Biotech received the "required municipal approval."

The same PR also misled investors by stating, "Since our land is zoned agricultural for the production and sale of medicinal marijuana, zoning is not required." The land was **not zoned for the sale of medical marijuana**. This issue could have been resolved nine months ago. To date, FITX is yet to receive the "required municipal approval."

The Lie Grows

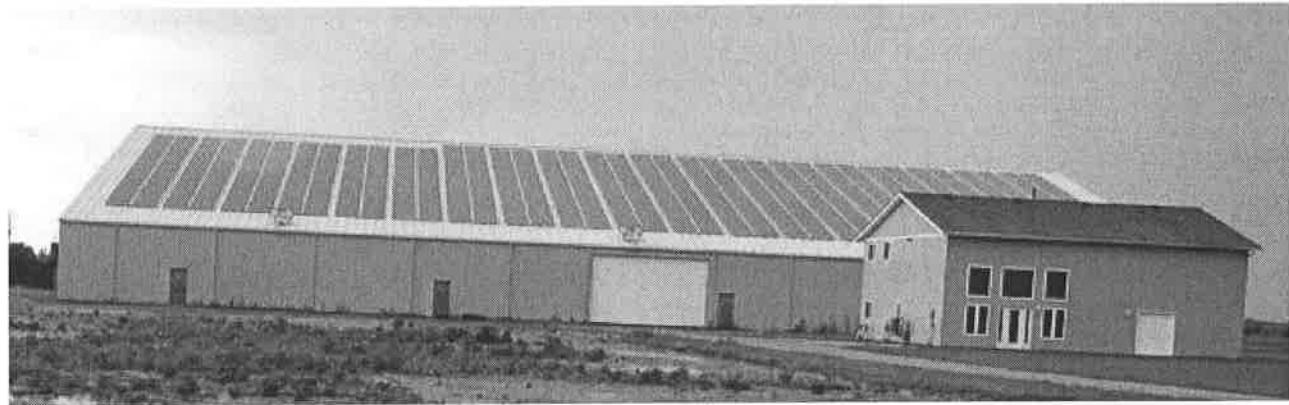
The company subsequently put out numerous press releases pumping its future medical marijuana facility. For example: An arguably irrelevant PR on 12/10/2013

"Cen BIOTECH, Inc. Releases Site Photos of Proposed Medical Marijuana Facility."



The "Photos" 12/10/13

[Note: that the company had already released a photo of the barn one month earlier in a press release.]



From PR 11/19/13

PR from 12/30/2013

"Cen Biotech Receives [sic] Ready To Grow Letter From Health Canada And Featured In Forbes Magazine (emphasis added)."

This PR quotes Bill Chaaban misleading investors by stating, "It is very exciting for us to announce that **we have received the approval** from Health Canada to build our facility. It is our intention to become one of the largest commercial growers of medicinal marijuana in the world." Arguably, Bill meant to say that FITX had only received a "ready-to-build" letter from Health Canada, which is very different from being licensed. However, the most misleading

aspect of the PR was when it essentially announced to investors that, "it has received its regulatory approval from Health Canada to become one of Canada's commercial medicinal marijuana growers." But Cen Biotech had **not** received regulatory approval.

To support this claim, the company cited an article that came out in Forbes Magazine on 12/30/2013 at 1:09PM. It cannot be overly stressed that the announcement of the license first appeared in Forbes Magazine before FITX's press release that came out 2 hours and six minutes later at 3:15PM. **Why did Forbes put out this inaccurate story first?** This is the million-dollar question people should be asking.

The article was subsequently corrected and you can find a footnote on the Forbes piece stating,

"The company has been issued permission to build its cannabis facility... An earlier version of this post stated the company had already been approved to begin operation."

But the damage was done. It was believed in the investor world that FITX had received a medical marijuana license and had municipal approval. This was highly misleading. FITX never issued a PR to correct the misleading statements.

I have contacted the author of the article, Mr. Karsten Strauss, regarding his sources and his interest in FITX. It does seem odd that a financial magazine as reputable as Forbes would take interest in a pink sheet penny stock. Mr. Strauss has yet to reply.

It should be noted that Mr. Strauss' bio encourages people to, "Send [him] sensitive documents and tips." While other writers also express openness towards crowdsourcing material, the request for "tips" seems out of the ordinary. "Hey Strauss, I got a hot tip for you: a Pink Sheet Penny Stock is licensed to grow medical marijuana!" Sounds like a penny stock promoters dream come true.

(click to enlarge)



"Hang on a Minute Bill," screamed Windsor.

As the hype escalated on January 13, 2014, The Windsor Star published an article entitled, "Stock soars, but company lacks OK to grow cannabis." The piece states:

1. That FITX had "No approval from Health Canada."
2. "The town hadn't issued a building permit for [its proposed] site."
3. "CEO Bill Chaaban did not answer questions posed by The Windsor Star about the discrepancies in the news releases."
4. "The company is leasing property off North Rear Road near Highway 401 that is **zoned agricultural** and was going to be used by its original owner, Jim Shaban, for a film studio. There is a **large barn** and smaller house on the property."
5. "Dennis Sylvestre, a contractor but not an investor in the company, applied for a permit to build a **53,000-square foot** steel structure on the North Rear Road property. The building is valued at \$800,000. "**The company is entitled to build a barn and fencing**," said Steve Salmons, the town's director of community and development services. "What occurs in that barn is a **zoning question**."

If the article in the Windsor is correct, FITX misled investors about the proposed size of the facility, that it had received municipal approval, that it had received an MMPR license, and that it even had a "building permit."

But that did not stop FITX from continuing the hype. PR after PR touted the company's prospects, its facility, its growing capacity, and its partnerships. It even put out a PR on February 12, 2014, that literally was just about all the PR it was getting. The PR was entitled, "CEN Biotech, Inc. Featured In Fortune Magazine." And yes, this was in reference to the December 30th, 2013, PR that it had already "PR'd."

The company even held an Open House to discuss the company's future prospects with potential and current investors. Again, this same company still had not yet received even "required municipal approval" to grow marijuana. The PR was entitled "CEN Biotech, Inc. Holds Open House for World's Largest and Most Advanced Legal Cannabis Production Facility." By that point, FITX wasn't building a 53,000 square foot barn; it was the world's largest marijuana producer.

Zoning Still A Problem

For a company that displayed eagerness to share with investors outside new sources that have discussed the company future prospects, it turns a suspicious deaf ear to the numerous articles from the Windsor Star that have challenged FITX's hyped PRs.

On April 8th, 2014, writer Monica Wolfson informed Canadians that FITX was only allowed to build a "6,000-square foot facility [with] no more than five employees." Currently, the company has built a "53,000-square foot pole barn." Since the land was only zoned agricultural and not industrial, the building "cannot be outfitted with electricity, water, sewer, a vault or even bathrooms under the property's current agriculture value-added zoning." Without these upgrades, the facility will not be able to receive a MMPR license.

Calling FITX's "facility" a "barn" is not meant to be pejorative. Legally speaking, FITX is only zoned agricultural and therefore only can build a barn.

This issue was expected to be resolved on July 15th, 2014. The company met with the lakeshore community to discuss this little "zoning issue." **The result? No zoning permit.** If FITX can't secure municipal support for its marijuana grow-up, it cannot complete a build-out of a marijuana facility. And without a facility, there's no chance of it receiving a medical marijuana license from Health Canada.

FITX Promises Huge Returns!

Despite not having the most essential asset needed to receive a medical marijuana license, Bill has stated that the company's future mammoth sized marijuana facility will rake in \$4 billion net margin:

"Eventually expand that facility to more than 1 million square feet on multiple floors and within five years grow 1.3 million pounds of pot annually. That would translate to \$5 billion a year' in revenue, Chaaban said. 'We anticipate a profit margin of 80%."

When would this start? Bill assured investors that, "We anticipate our license being issued in eight to 12 weeks." That was stated on March 5th meaning FITX should've been licensed at the latest May 28th, 2014. Bill is about 8 1/2 weeks past the deadline.

(click to enlarge)



False, misleading, or exaggerated press releases are clear signs that investors should stay away. This article does not even begin to exhaust the misleading information that has been put out from FITX. For instance, an investigative report could be written solely about their various nutraceutical ventures that haven't yielded much.

Red Flag #3: Controversial Insider

From 06/2012 to 09/2013 FITX issued a total of 495,540,813 to Randy A Hamdan and his companies Oracle Consultants and HH Group, LLC. Oracle Consultants was issued 30,000,000 shares in 2012; HH Group was issued 326,724,488 in 2013; and Hamdan was issued 125,816,325 directly both in 2012 and 2013. All shares were issued at .001 a share.

Who is Randy Hamdan?

It didn't take long to discover that Randy Hamdan has been sued by the SEC for fraudulent Pump & Dump Scheme.

Litigation Release No. 22892 / December 18, 2013

Securities and Exchange Commission v. Randy A. Hamdan and Oracle Consultants, LLC, Civil Action No. 2:13-cv-15006-NGE-MKM, United States District Court for the Eastern District of Michigan

SEC Charges Detroit Area Man and His Company with Conducting a Pump and Dump Scheme

The allegations against Mr. Hamdan are quite alarming. The SEC found that Mr. Hamdan,

"Through the phony press release and fraudulent marketing campaign, Hamdan disseminated false claims that CompuSonics had "reached an out-of-court settlement" regarding the company's patent portfolio and the **phony press release** added the claim that CompuSonics was "considering many options to bring back shareholder value," including a cash dividend and a stock buy-back program. The Complaint alleges that in order to conduct the scheme, Hamdan employed numerous tactics to hide his true identity, including a proxy internet server, an anonymous email service, fictitious contact information, and a prepaid cellphone."

What we learn from this accusation is that Mr. Hamdan was allegedly willing to disseminate false information in order to promo a company for personal monetary gain. How much did Mr. Hamdan profit from this venture? As a result of disseminating false marketing claims the claim alleges that, "Hamdan made profits of approximately \$30,000 from his trades in CompuSonics stock." Hamdan was allegedly willing to lie to the public so that he could make \$30,000.

As part of the lawsuit, the SEC seeks to, **"Prohibit Defendants from engaging in any offering of penny stock pursuant to Securities Act Section 20(g) [15 U.S.C. § 77t(g)] and Exchange Act Section 21(d)(6) [15 U.S.C. § 78u(d)(6)]."** The SEC found that Mr. Hamdan's alleged manipulation of CompuSonics stock was grounds to also bar Mr. Hamdan and his company, Oracle Consultants from penny stocks.

Oracle Consultants and HH Group

Oracle Consultants, like HH Group LLC are registered to a one Randy Hamdan.

(click to enlarge)

<p>HH GROUP, LLC MICHIGAN DOMESTIC LIMITED-LIABILITY COMPANY</p> <p>Address: 2749 Holly Dearborn, MI 48120</p> <p>Address Types: Registered Agent</p> <p>Registered Agent: Randy Hamdan</p> <p>Filing Date: April 20, 2009</p> <p>File Number: D2683V</p>	<p>ORACLE CONSULTANTS, LLC MICHIGAN DOMESTIC LIMITED-LIABILITY COMPANY</p> <p>Address: 2749 Holly Dearborn, MI 48120</p> <p>Address Types: Registered Agent</p> <p>Registered Agent: Randy Hamdan</p> <p>Filing Date: April 17, 2009</p> <p>File Number: D2686M</p>
---	---

I discovered that both companies were involved in penny stock promotion.

(click to enlarge)

Oracle Consultants LLC

<p>▪ Average Compensation: \$32,500</p> <p>▪ Total Campaigns: 4</p> <p>▪ Total Stocks Promoted: 4</p>	<p>▪ Total Paid for Promotion: \$130,000</p>
---	--

ORACLE CONSULTANTS LLC CAMPAIGNS BY STOCK

SORT BY: Category: :

(click to enlarge)

HH Group LLC

Average Compensation:	\$15,273	Total Paid for Promotion:	\$168,000
Total Campaigns:	11		
Total Stocks Promoted:	4		

HH GROUP LLC CAMPAIGNS BY STOCK

SORT BY: Category:

According to the SEC, penny stock promoters are notorious for being involved with "microcap fraud" and "misleading investors."

Before I go any further, I should also note that I am not accusing Hamdan of penny stock fraud. I was made very much aware what would happen to me if I did by the CEO of FITX, Bill Chaaban:

**Bill Cenergy**

10:12pm

I'm really not kidding. You will be sued. You best be careful what you allege publicly.

He has sued many people.

**Matt Flinston**

10:13pm

Why are you so scared of me publishing this information?

**Bill Cenergy**

10:13pm

I'm not it's all public.

**Matt Flinston**

10:13pm

Okay. So I'm going to publish

**Bill Cenergy**

10:14pm

FINRA has found no wrong doing. They have vetted the transactions.

Good because he just said he is going to sue you.

**Matt Flinston**

10:14pm

I will let the shareholders decide how they feel about this

**Bill Cenergy**

10:14pm

I hope you have the funds to defend it

Sent from Messenger

[Note: although "Bill Cenergy" is an alias, Bill Chaaban did post pictures of himself using this account thereby confirming that he was using "Bill Cenergy" as a his personal Facebook account.]

(click to enlarge)



Instead of alleging anything, I want to make very clear I am just gathering information that is and has been made publicly available.

For the record, Bill privately messaged these threats over Facebook after I informed 125 members on a Facebook Group entitled, "Cannabis Contrarians" that I was planning on writing this article. This group is also "secret," meaning the group is not accessible for non-members. Information that is posted there is for those members' eyes only. Had Bill not been a member, he would never have known an article was coming.

Bill's reaction should be an indication that Mr. Hamdan's involvement with FITX is a sensitive issue.

The 2012 Restricted Shares

The 2012 annual report discloses that FITX issued Oracle Consultants LLC and Mr. Hamdan a total of 65 million shares at .001. There was a subsequent 1.2:1 stock dividend increasing the total shares to 78 million.

(click to enlarge)

Item 17 List of securities offerings and shares issued for services in the past two years. (9/30/2010-9/30/2012)

Shareholder	Jurisdiction	Date	# of Shares Sold	Price Per share	Dollar Amount Sold	Nature of Offering
First Trust Management	FL	6/19/2012	10,000,000	.001	\$10,000.00	Depository did not go to company
Vineyard Enterprises LLC	Georgia	6/19/2012	2,000,000	.001	\$2,000.00	Sale from Company
K. Saleh	MI	6/25/2012	273,972	.00145	\$388.00	Sale from Company
A. Tarabish	Canada	6/19/2012	1,000,000	.00145	\$1,450.00	Sale from Company
D. Papillo	Canada	6/19/2012	547,443	.00145	\$780.00	Sale from Company
K. Najmuddin	Canada	6/19/2012	1,000,000	.00145	\$1,450.00	Sale from Company
JW Financial	MI	6/19/2012	23,000,000	.001	\$23,000.00	Except money did not go to Company
K. Saleh	Canada	6/21/2012	2,000,000	.00145	\$2,900.00	Sale from Company
J. Saldan	Canada	6/21/2012	273,972	.00145	\$388.00	Sale from Company
R. Hillebrand Jr	Canada	6/21/2012	134,488	.00145	\$199.00	Sale from Company
Oracle Consultants LLC	MI	6/19/2012	10,000,000	.001	\$10,000.00	Depository did not go to company
Oracle Consultants LLC	MI	6/21/2012	20,000,000	.001	\$20,000.00	Depository did not go to company
R. Hillebrand Jr	Canada	6/21/2012	147,986	.00145	\$215.00	Sale from Company
T. DeSulen	Canada	6/21/2012	413,359	.00145	\$590.00	Sale from Company
S. Hamed	Canada	6/21/2012	10,000,000	.00145	\$14,500.00	Sale from Company
JW Financial	MI	6/21/2012	29,000,000	.001	\$29,000.00	Consulting Agreement
Randy A Hamdan	MI	6/21/2012	35,000,000	.001	\$35,000.00	Depository did not go to company

I have broken down the dates and the amounts of the shares from their issuance.

(click to enlarge)

	4/5/12	4/16/12	5/4/12	6/13/12	6/19/12	6/26/14	6/28/12	7/19/12	8/23/12 total	Stock Dividend 1:2:1
Vineyard Ent	2,000,000.00								2,000,000.00	2,400,000.00
K. Saleh	2,000,000.00								2,000,000.00	2,400,000.00
T. DeSulen							410,959.00		410,959.00	493,150.80
S. Hamed		18,000,000.00							18,000,000.00	21,600,000.00
R. Hillebrand Jr.							147,986.00		147,986.00	177,583.20
R. Hillebrand Jr							136,986.00		136,986.00	164,383.20
J. Saldan							273,972.00		273,972.00	328,766.40
K. Saleh	2,000,000.00								2,000,000.00	2,400,000.00
K. Najmuddin	1,000,000.00								1,000,000.00	1,200,000.00
T. DeSulen	1,000,000.00								1,000,000.00	1,200,000.00
Total	4,000,000.00	4,000,000.00	18,000,000.00	23,000,000.00	10,000,000.00	20,000,000.00	969,903.00	29,000,000.00	35,000,000.00	143,969,903.00 172,763,883.60

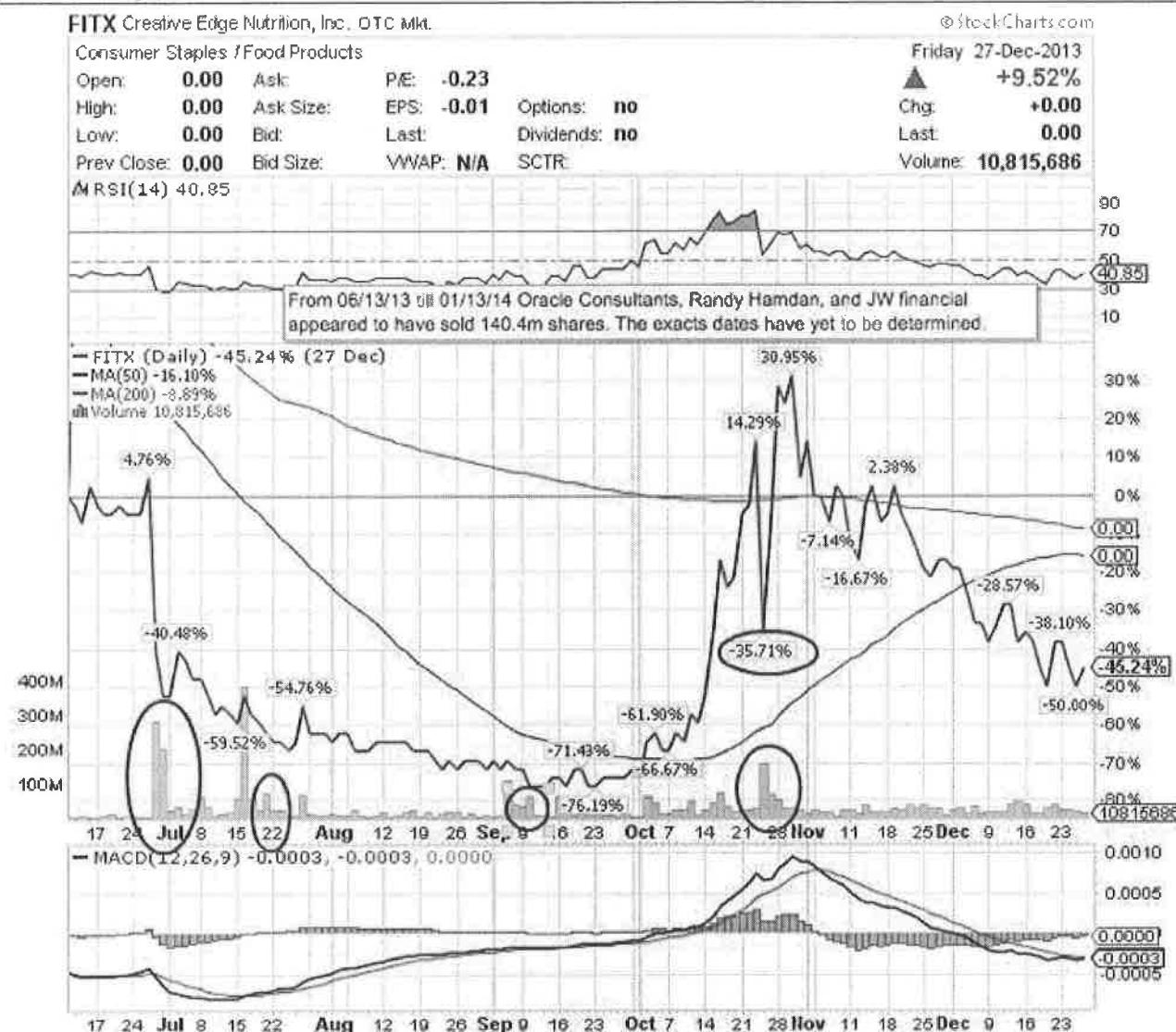
Highlighted in red are the shares that did not appear on the 2013 annual disclosure report. It is assumed that these shares were sold. See below

Shareholder	Date	Shares	Price	Nature of Offering	
				of Offering	Stock
Vineyard Enterprises LLC	4/5/2012	2,000,000	0.001	Sale from Company	Restricted
K. Saleh	4/5/2012	273,972	0.001	Sale from Company	Restricted
A. Tarabish	4/18/2012	1,000,000	0.001	Sale from Company	Restricted
D. Papillo	4/19/2012	647,549	0.001	Sale from Company	Restricted
K. Najmuddin	4/19/2012	1,000,000	0.001	Sale from Company	Restricted
K. Saleh	4/19/2012	2,000,000	0.001	Sale from Company	Restricted
J. Saldan	6/28/2012	273,972	0.001	Sale from Company	Restricted
R. Hillebrand Jr.	6/28/2012	136,986	0.001	Sale from Company	Restricted
R. Hillebrand Jr	6/28/2012	947,586	0.001	Sale from Company	Restricted
T. DeSulen	6/28/2012	413,359	0.001	Sale from Company	Restricted
S. Hamed	5/4/2012	10,000,000	0.001	Sale from Company	Restricted

All the names appear again on the restricted share list with the exception of Randy A Hamdan, Oracle Consultants, and JW Financial. According to Rule 144, restricted shares have a 12-month holding period. It has yet to be determined which dates these insiders sold.

Below I have put together a chart highlighting days with noticeably high volume subsequent the unlocking of shares.

(click to enlarge)



After 6/26/13 the three aforementioned insiders could sell 63.6 million shares. The trading volume for 6/27/13 was 280 million. The next day the trading volume was 198 million. After 8/23/13 the same three insiders could sell 76.8 million shares. The only other notable day with heavy trading volume occurred 10/25/13 with 150 million shares traded.

Hamdan's 2013 Restricted Shares Made Him a 12.5% Stakeholder

According to the 2013 annual disclosure report, FITX has issued 326,724,488 to HH Group and 90,816,325 shares directly to Hamdan for a total of 417,540,813 shares. This is the equivalent of 12.5% of the total outstanding common

HH Group LLC	3/6/2013	32,000,000	0.001	conversion	Restricted
HH Group LLC	3/4/2013	28,000,000	0.001	conversion	Restricted

stock.

HHGroup	6/5/2013	30,500,000	0.001	Paid debt	Restricted
HHGroup	6/5/2013	5,000,000	0.001	services	Restricted
Rhonda	6/6/2013	75,000,000	0.001	acquisition	Restricted
Rhonda	6/6/2013	1000,000	0.001	services	Restricted
HHGroup	6/8/2013	10,000,000	0.001	services	Restricted
Grobet	6/8/2013	1000,000	0.001	services	Restricted
Grobet	6/8/2013	1000,000	0.001	services	Restricted
JW Financial	6/15/2013	30,000,000	0.001	Paid line of credit off	Restricted
Sloshman	6/15/2013	24,000,000	0.001	Paid line of credit off	Restricted
HHGroup	6/18/2013	72,000,000	0.001	Paid line of credit off	Restricted
Richardson	6/23/2013	84,243,698	0.001	services	Restricted
JW Financial, LLC	7/9/2013	9000000	0.001	Paid debt	Restricted
JW Financial, LLC	7/9/2013	22000000	0.001	services	Restricted
HHGroup LLC	7/9/2013	52000000	0.001	Paid debt	Restricted
HHGroup LLC	7/9/2013	10000000	0.001	Paid debt	Restricted
HHGroup LLC	7/9/2013	5000000	0.001	Paid debt	Restricted
HHGroup LLC	7/9/2013	20000000	0.001	Paid debt	Restricted

Prime Equities, Inc	9/6/2013	100000000	0.001	Paid debt	Restricted
HHGroup, LLC	9/6/2013	10204081	0.001	Paid debt	Restricted
HHGroup, LLC	9/6/2013	10204081	0.001	Paid debt	Restricted
HHGroup, LLC	9/6/2013	40818326	0.001	Paid debt	Restricted

After appearing to have dumped 78 million shares in 2013, FITX issued an additional 417 million shares that are coming unlocked in 2014.

Bcheabian	8/2/2013	30000000	0.001	services	Restricted
Rhamdan	8/2/2013	10204081	0.001	Paid debt	Restricted
Rhamdan	8/2/2013	10204081	0.001	Paid debt	Restricted
Rhamdan	8/2/2013	20408183	0.001	Paid debt	Restricted
Obakow	8/2/2013	10000000	0.001	services	Restricted
defranceis	8/2/2013	20000000	0.001	services	Restricted
Jhabban	8/2/2013	20000000	0.001	services	Restricted
Jbyrne	8/2/2013	10000000	0.001	services	Restricted
Richardson	8/2/2013	25000000	0.001	Paid debt	Restricted
Dchabian	8/2/2013	10000000	0.001	services	Restricted
Khalik	8/23/2013	10000000	0.001	services	Restricted
Capital Shield	8/23/2013	300000000	0.001	Paid debt	Restricted
Rhondan	9/6/2013	50000000	0.001	Paid debt	Restricted

The question I ask: what is Mr. Hamdan's relationship with FITX?

Hamdam: The Inventor of the Tires with magnetic strips

What exactly is Hamdan's role in FITX? Why would FITX issue Mr. Hamdan and his company 12.5% stake in the company?

Hamdan appears to be a penny-stock promoter. In fact, Hamdan intimated this occupation in a [press release](#) that marketed his company, OTCSHUB.com. In the press release, Mr. Hamdan prided himself for his "15-year" career as a "consultant" for "small-cap and micro-cap companies." Hamdan touted his understanding of "social media marketing and online advertising." In particular,

"He maintains a clear understanding of current search engine algorithms so as to improve his clients' ranking on searches. Additionally, he helps clients to create content to improve their social media interaction with customers and potential customers."

Hamdan essentially helps small-cap companies promote themselves through social media platforms, such as Facebook.

And how successful has Mr. Hamdan been?

There is a laundry list of companies that Mr. Hamdan has promoted: Vantage Health Group, GeneThera (OTCPK:GTHR), Vega Biofuels, Raystream Inc. (OTCPK:RAYS), DNA Brands (OTCPK:DNAX), GreenCell Inc. (OTCPK:GCLL) and many more. The story for each of these companies ends the same: a valuation of -70% or less. Some have been halted. Some no longer exist.

HH Group and Oracle Consultants Promote FITX

In 2012, HH Group ran 3 penny stock promotions via Vip Penny Stocks, EliteOTC, and ExplosiveOTC. These three companies were compensated \$57,500 for the 3 campaigns.

(click to enlarge)

► Creative Edge Nutrition, Inc. (FITX)

Period:	Dec 12, 2012 - UNKNOWN	Generated Volume:	\$15,557
Promoter:	ExplosiveOTC	Total Emails Sent:	22
Compensation:	\$15,000		

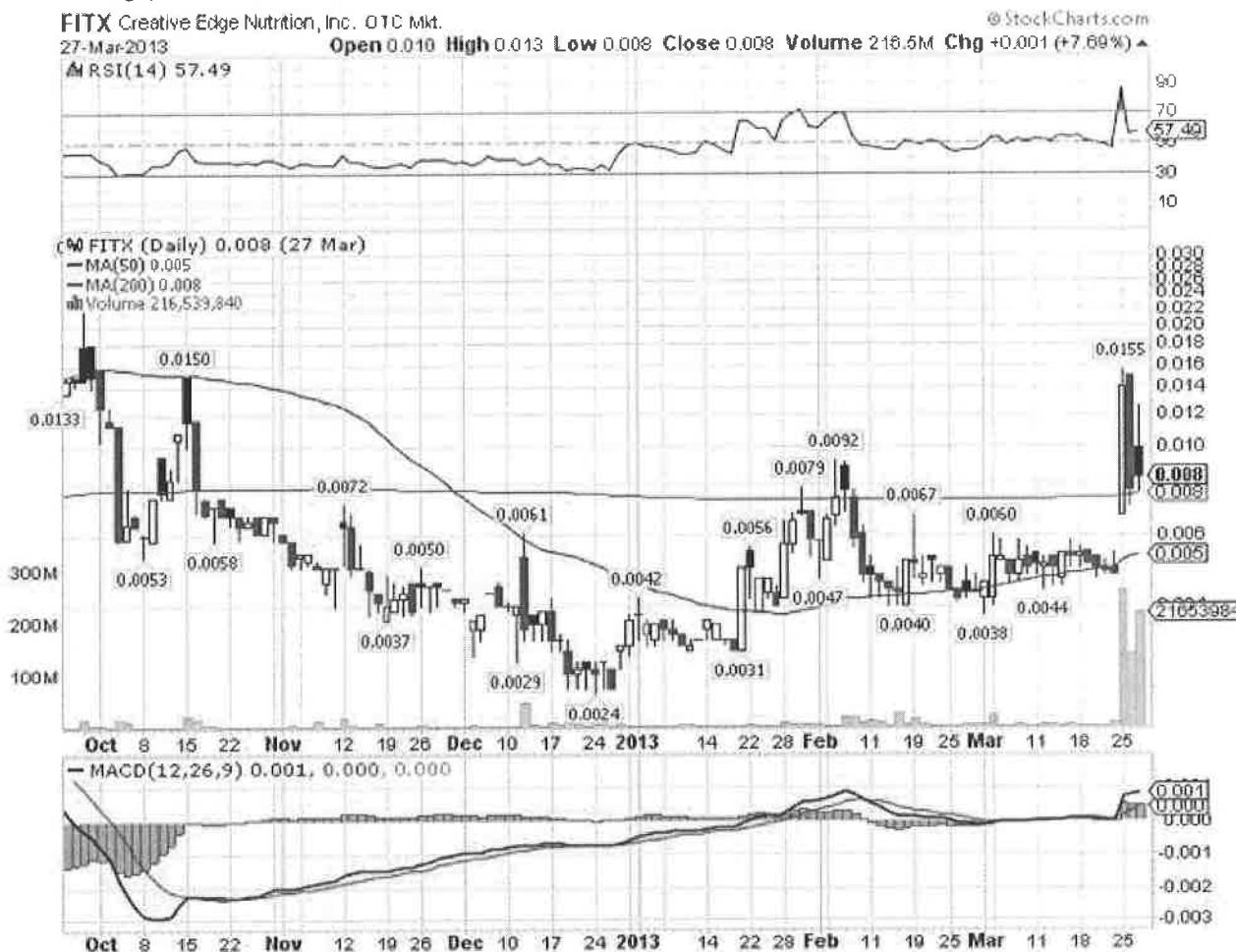
► Creative Edge Nutrition, Inc. (FITX)

Period:	Sep 26, 2012 - Oct 03, 2012	Generated Volume:	UNKNOWN
Promoter:	EliteOTC	Total Emails Sent:	8
Compensation:	\$15,000		

► Creative Edge Nutrition, Inc. (FITX)

Period:	Sep 26, 2012 - Oct 03, 2012	Generated Volume:	UNKNOWN
Promoter:	Vip Penny Stocks	Total Emails Sent:	4
Compensation:	\$27,500		

A total of 34 emails were sent out from September 26th, 2012 till March 27th, 2013.

(click to enlarge)

Following the campaign, the share price tanked to as low as .0024 from .0133. It climbed back hitting a high of .0092. But it wasn't until March 25th that the company enjoyed significant volume when it announced entry into the medical marijuana sector.

Oracle consultants also promoted the company during the month of October 2012 and was paid \$25,000.

(click to enlarge)

» Creative Edge Nutrition, Inc. (FITX)

Period:	Oct 15, 2012 - Oct 17, 2012	Generated Volume:	\$126,895
Promoter:	StockExploder	Total Emails Sent:	5
Compensation:	\$25,000		

Issuing Shares for "Debt"

It looks like Hamdan's penny stock promotion companies paid a total of \$82,500 for the awareness campaign on behalf of FITX. This could explain why the restricted share disclosure forms state that Hamdan's companies were paid in shares for debt. Only in the 2012 disclosure form does it state explicitly that, "money did not go to the company." Possibly, the company was indebted to Oracle Consultants and HH Group for at least \$82,500 for the stock promotion campaigns, if not more. Specifically, Hamdan paid \$82.5k for the stock promotion. It appears that FITX owed Hamdan money.

Out of the 495 million shares issued to Hamdan, 353.5 million state they were issued for debt, 60 million for "conversion," 72 million for "paid line of credit," and 10 million for "services." It seems possible FITX paid Hamdan in shares for the debt accrued from his penny stock promotional campaign, although this cannot be said with certainty.

We won't know until January 13, 2015 how many shares Mr. Hamdan has sold. The 2013 annual disclosure report is any indication, we can assume a lot.

Hamdan's history with penny stock promotion and his pending SEC lawsuit for allegedly orchestrating a pump and dump makes his involvement with FITX highly suspicious. It cannot be said with certainty that the charges against him are true. It may turn out that he is entirely innocent. My recommendation is to steer clear.

Red Flag #4: 75% Insider Ownership Of Restricted Shares

Currently there are 3,342,417,549 shares outstanding. In 2013, there were roughly are currently 2.537 billion shares issued at .001 a share. This is equivalent to roughly 75.92% of the total current outstanding shares. Restricted shares cannot be traded for a 12-month period after issuance. Below, I have put together a chart marking the dates when those shares were issued.

The chart below shows the names on the 2013 restricted list, the amount and on which dates those shares were issued.

(click to enlarge)

Stakeholder	March 3rd, 2013	March 14th, 2013	March 18th, 2013	April 1st, 2013	April 15th, 2013	April 27th, 2013	May 5th, 2013	May 19th, 2013	May 23rd, 2013	July 9th, 2013	Total	% Outstanding shares	
S. Hamdan											25,000,000.00	0.40%	
Armenia					5,000,000.00	5,000,000.00					15,000,000.00	0.43%	
J. Brash											15,000,000.00	0.39%	
G. Balkow											15,000,000.00	0.39%	
J. Smith											15,000,000.00	0.39%	
Sub Totals	15,300,000.00	30,000,000.00			35,000,000.00						134,300,000.00	3.71%	
G. Chisholm											15,300,000.00	0.39%	
Other Shareholders	1,000,000.00										15,000,000.00	0.33%	
Consultant	1,000,000.00										1,000,000.00	0.03%	
J. Shultz											25,000,000.00	0.30%	
Faulk					1,000,000.00						1,000,000.00	0.03%	
Randy Hamdan											35,813,325.00	2.72%	
S. Handlos							5,000,000.00				5,000,000.00	1.48%	
D. Hiltz					1,000,000.00						1,000,000.00	0.03%	
Sub Totals	10,300,000.00				28,000,000.00	10,000,000.00	72,000,000.00				131,234,325.00	3.78%	
Dividend								2,000,000.00				2,000,000.00	0.21%
Sub Totals	10,300,000.00				21,044,444.00	28,000,000.00	10,000,000.00	72,000,000.00			131,234,325.00	3.78%	
R. Lehrman											25,000,000.00	0.60%	
H. Naimark								1,000,000.00			1,000,000.00	0.57%	
PrivateEquities, Inc.											220,000,000.00	2.39%	
Reimer								75,000,000.00			75,000,000.00	2.24%	
Sub Totals	1,000,000.00							82,243,695.00			339,244,695.00	11.53%	
K. Sulich								5,000,000.00			47,000,000.00	1.41%	
J. Sedgwick	1,000,000.00										5,273,972.00	0.04%	
J. Shultz											35,000,000.00	0.30%	
Sub Totals	1,000,000.00							50,273,972.00			339,244,695.00	11.53%	
G. Strischuk											25,000,000.00	0.40%	
A. Tariqah											23,000,000.00	0.43%	
J. Thomas	15,000,000.00				24,000,000.00			10,000,000.00			79,000,000.00	2.34%	
J. Facho					1,000,000.00						1,000,000.00	0.03%	
Total	199,243,695.00	21,000,000.00	2,000,000.00	148,000,000.00	62,444,444.00	5,000,000.00	214,000,000.00	13,000,000.00	129,000,000.00	84,243,695.00	116,000,000.00	2,937,903,923.00	75.92%

I have highlighted in yellow people or companies who have been issued less than 2%. In grey, the names of people or companies who have been issued 2-3%. In red, the names of people or companies who have been issued more than 3% of the outstanding common stock.

(click to enlarge)

Stakeholder	7/25/13	7/26/13	8/2/13	8/21/13	8/23/13	9/6/13	New Unrestricted	Total	% Outstanding Share
S Alawieh	20,000,000.00						20,000,000.00	20,000,000.00	0.60%
Armenta	5,000,000.00						5,000,000.00	15,000,000.00	0.45%
J Bryne		10,000,000.00					10,000,000.00	10,000,000.00	0.30%
G Baxow			10,000,000.00				10,000,000.00	10,000,000.00	0.30%
J Baksh				10,000,000.00			10,000,000.00	10,000,000.00	0.30%
Bill Chaaban	30,000,000.00		30,000,000.00				60,000,000.00	124,000,000.00	3.71%
D Chaaban				10,000,000.00			10,000,000.00	10,000,000.00	0.30%
Capital Shield				100,000,000.00			300,000,000.00	300,000,000.00	8.98%
Consultant							1,000,000.00		0.03%
J Elhalb		10,000,000.00					10,000,000.00	10,000,000.00	0.30%
Fault							1,000,000.00		0.03%
Randy Hamdan			40,816,325.00			50,000,000.00	90,816,325.00	90,816,325.00	2.72%
S Handous	40,000,000.00						40,000,000.00	61,000,000.00	1.88%
D Hinson							1,000,000.00		0.03%
HH Group					61,224,488.00	61,224,488.00	126,728,488.00		3.71%
Grobet	5,000,000.00						5,000,000.00	7,000,000.00	0.21%
JW Financial								223,025,424.00	6.63%
R Lefrancois			20,000,000.00				20,000,000.00	20,000,000.00	0.60%
K Najmeddine	15,000,000.00						15,000,000.00	19,000,000.00	0.57%
PrimeEquities, Inc.						100,000,000.00	100,000,000.00	100,000,000.00	2.99%
Riemer								75,000,000.00	2.24%
BB Richardson		253,000,000.00					253,000,000.00	339,243,595.00	10.13%
K Saleh	40,000,000.00						40,000,000.00	47,000,000.00	1.41%
J Seddon								1,273,972.00	0.04%
J Shaban	10,000,000.00		20,000,000.00				30,000,000.00	30,000,000.00	0.90%
Jwan Alliance Ltd		210,993,204.00					210,993,204.00	310,993,204.00	9.30%
J Stanhope	30,000,000.00		157,265,913.00				187,265,915.00	222,265,913.00	0.17%
D Strichuck			20,000,000.00				20,000,000.00	20,000,000.00	0.60%
A. Tarrabain	20,000,000.00						20,000,000.00	21,000,000.00	0.63%
J Thomas	10,000,000.00						10,000,000.00	79,000,000.00	2.36%
J Tocho								1,000,000.00	0.03%
Total	205,000,000.00	230,993,204.00	433,265,915.00	100,816,325.00	110,000,000.00	211,224,488.00	1,540,299,932.00	2,537,503,023.00	75.92%

The names in red owned a combined sum of 1.6 billion or 48.8% of the total outstanding common shares. The names in grey own 344 million or 10.3%. The names in yellow own 317 million or 9.5%.

The names: HH Group, RHamdan, and Prime Equities have been linked to penny-stock promotion. Combined they own 517 million or 15% of the company's stock.

If each shareholder is allowed to sell a maximum of 33424175 shares within a 3-month period, I estimate that from March 2014 until September 2015 roughly 785,484,947 shares can be sold without violating rule 144. That is equivalent of 24% of the total common o/s. It is my assumption that from March until June, up to 297,300,400 shares could have been sold. Similarly, **it appears that insiders will be able to sell an additional 488,184,457 shares from July through September.** If insiders have sold the maximum allowable amount, they would still have an additional 1,752,018,076 shares they could sell. There appears to be nine shareholders who own more than 66,848,350 shares. If each were to sell the maximum allowable amount, they could dump 300,817,575 every three months. It would take over 15 months before these insiders could dump the last of their holdings. As long as these shareholders sell above .001, they will be making a profit.

This is all speculative. What would be useful is if there was a record of a shareholder dumping the maximum allowable amount.

I have been able to find a record of one person from the restricted share list. Who might that be, you ask? None other than CEO of FITX Bill Chaaban.

Red Flag #5: CEO and President Bill Chaaban Dumps Shares of FITX

The support for FITX is nearly comical when you realize that the CEO and mascot of FITX has sold and proposed to sell the maximum allowable amount of shares according to SEC Rule 144.

(click to enlarge)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549						OMB APPROVAL OMB Number 1235-0101 Expires February 28, 2014 Estimated average burden hours per response 1.00		
FORM 144 NOTICE OF PROPOSED SALE OF SECURITIES PURSUANT TO RULE 144 UNDER THE SECURITIES ACT OF 1933						SEC USE ONLY DOCUMENT SEQUENCE NO.		
ATTENTION: Transmit <u>3</u> copies of this form concurrently with either placing an order with a broker to execute sale or executing a sale directly with a market maker.						CUSIP NUMBER		
1 (a) NAME OF ISSUER (Please type or print) CREATIVE Edge Nutrition			1(b) IRS IDENT. NO. 27-0238057		1(c) SEC FILE NO. 		WORK LOCATION	
1(d) ADDRESS OF ISSUER 2923 5 Stephenson Highway #206 Madison Heights MI			1(e) STATE MI		1(f) ZIP CODE 48201		1(g) TELEPHONE NO. AREA CODE: 313 NUMBER: [REDACTED]	
2 (a) NAME OF PERSON FOR WHOM ACCOUNT THE SECURITIES ARE TO BE SOLD BABY (611) Chardan			2(b) RELATIONSHIP TO ISSUER CEO		2(c) ADDRESS STREET [REDACTED]		2(d) CITY [REDACTED]	
2(e) STATE [REDACTED]			2(f) ZIP CODE [REDACTED]					
INSTRUCTION: The person filing this notice should contact the issuer to obtain the I.R.S. Identification Number and the S.E.C. File Number.								
3 (a) Title of the Class of Securities To Be Sold	3(b) Name and Address of Each Broker Through Which the Securities are to be Offered or Each Market Maker which is Acquiring the Securities	SEC USE ONLY	3(c) Broker-Dealer File Number	3(d) Number of Shares or Other Units To Be Sold (See note 2(f))	3(e) Aggregate Market Value (See note 2(f))	3(f) Number of Shares or Other Units Outstanding (See note 2(f))	3(g) Approximate Date of Sale (See note 2(f)) (MO DAY YR)	3(h) Name of Each Securities Exchange (See note 2(f))
Com	ACAP Financial 87 West 200 South #200 Salt Lake City, UT 84101			1,762,019	88000	3,342,417,849	7/3/14	PS
INSTRUCTIONS:								
3. (a) Title of the class of securities to be sold (b) Name and address of each broker through which the securities are intended to be sold (c) Number of shares or other units to be sold if debt securities, give the aggregate face amount (d) Aggregate market value of the securities to be sold as of a specified date within 10 days prior to the filing of this notice (e) Number of shares or other units of the class outstanding, or of debt securities the face amount thereof outstanding, as shown by the most recent report or statement published by the issuer (f) Approximate date on which the securities are to be sold (g) Name of each securities exchange, if any, on which the securities are intended to be sold								
2. (a) Name of person for whom account the securities are to be sold (b) Such person's relationship to the issuer (e.g., officer, director, 10% stockholder, or member of immediate family of any of the foregoing) (c) Such person's address, including zip code								
Potential persons who are to respond to the collection of information contained in this form are <u>not</u> required to respond unless the form displays a currently valid OMB control number.								
SEC 1147 (08-07)								



(click to enlarge)

TABLE I—SECURITIES TO BE SOLD

Furnish the following information with respect to the acquisition of the securities to be sold and with respect to the payment of all or any part of the purchase price or other consideration therefor:

Date of Rec'd from SAC	Date case Assigned	Name of Allegations Transcribed	Name of Person from whom Allegation came (if not the same person reported)	Name of Investigator	Date of Disposition	Name of Person Paid
Com	12/10/11	Executive Comp	J Stuul	Sack	12/12/11	Executive Comp

INSTRUCTIONS: If the securities were purchased and full payment therefor was not made in cash at the time of purchase, explain in the table or in a more detailed statement the nature of the consideration given. If the consideration consisted of any note or other obligation, or if payment was made in installments describe the arrangement and state when the note or other obligation was discharged as full, the last installment paid.

TABLE II—SECURITIES SOLD DURING THE PAST 3 MONTHS

TABLE II.—SECURITIES SOLD DURING THE PAST 3 MONTHS

REMARKS:

INSTRUCTIONS:

INSTRUCTIONS:
See the definition of "person" in paragraph (a) of Rule 144. Information is to be given not only as to the persons for whose account the securities are to be sold but also as to all other persons included in that definition. In addition, information shall be given as to sales by all persons whose sales are required by paragraph (a) of Rule 144 to be aggregated with sales for the account of the person filing this notice.

DATE OF 90788

second the priorities are to be sold. At least one copy of each of the following is to be sold as priority documents:

DATE OF PECAN ADOPTION OR GOING ON INSTRUCTION
(IF RELYING ON PECAN TEST)

The notice shall be signed by the person for whose account the securities are to be sold. At least one copy shall be manually signed. Any copies not manually signed shall bear typed or printed signatures.

REGULATIONS: International misstatements or omission of facts constitute Federal Criminal Violations (See 18 U.S.C. 1001)

SPEC. 1947 (02-68)

While it is unclear if he sold the remaining 1,762,049 shares, it appears that he has indeed sold 31,662,126 shares for roughly \$2.127 million. At .001, this represents a 6619% return on his restricted shares.

Below you can get a better look at the dates that Bill sold shares.

April (click to enlarge)

Printed Name	Printed Date	Entered Date	Entered By
05/12/14	05/12/14	05/12/14	Self
04/30/14	04/30/14	05/05/14	Self
04/30/14	04/30/14	05/05/14	Self
04/29/14	04/29/14	05/02/14	Self
04/29/14	04/29/14	05/02/14	Self
04/28/14	04/28/14	05/01/14	Self
04/28/14	04/28/14	05/01/14	Self
04/25/14	04/25/14	04/30/14	Self
04/24/14	04/24/14	04/29/14	Self
04/23/14	04/23/14	04/28/14	Self
04/22/14	04/22/14	04/25/14	Self
04/21/14	04/21/14	04/24/14	Self
04/09/14	04/09/14	04/14/14	Self

-2,084,108,000	FITX	\$0.0875	\$173,955.87
-1,038,844,000	FITX	\$0.0882	\$87,376.80
-1,000,000,000	FITX	\$0.088232	\$78,462.43
-1,000,000,000	FITX	\$0.09127	\$87,054.23
-1,000,000,000	FITX	\$0.0883	\$78,203.09
-1,000,000,000	FITX	\$0.0882	\$78,107.10
-1,000,000,000	FITX	\$0.0533	\$79,403.20
-2,000,000,000	FITX	\$0.0786	\$152,149.52
-1,000,000,000	FITX	\$0.0853	\$81,323.16
-1,000,000,000	FITX	\$0.0840	\$80,978.19
-1,000,000,000	FITX	\$0.0823	\$78,443.23
-1,000,000,000	FITX	\$0.0719	\$68,452.48

May (click to enlarge)

Trade Date	Settle Date	Transaction	Quantity	Symbol	Executed	Dollar Amount
05/30/14	05/30/14	05/30/14 Sell	-1,000,000.000	FITX	\$0.0661	\$62,891.58
05/30/14	05/30/14	05/30/14 Sell	-2,000,000.000	FITX	\$0.0668	\$131,030.00
05/27/14	05/27/14	05/30/14 Sell	-1,000,000.000	FITX	\$0.0643	\$61,163.52
05/12/14	05/12/14	05/15/14 Sell	-5,479,868.000	FITX	\$0.06246	\$349,992.53

June (click to enlarge)

Trade Date	Settle Date	Transaction	Quantity	Symbol	Executed	Dollar Amount
06/18/14	06/18/14	06/19/14 Sell	-469,202.000	FITX	\$0.0588	\$26,187.38
06/13/14	06/13/14	06/18/14 Sell	-249,975.000	FITX	\$0.0588	\$13,922.32
06/10/14	06/10/14	06/13/14 Sell	-1,000,000.000	FITX	\$0.0588	\$55,883.75
06/09/14	06/09/14	06/12/14 Sell	-1,000,000.000	FITX	\$0.0588	\$55,883.75
06/05/14	06/05/14	06/10/14 Sell	-1,000,000.000	FITX	\$0.0578	\$54,923.77
06/05/14	06/05/14	06/10/14 Sell	-1,000,000.000	FITX	\$0.0578	\$54,923.77
06/04/14	06/04/14	06/09/14 Sell	-1,000,000.000	FITX	\$0.0587	\$58,747.73
06/03/14	06/03/14	06/08/14 Sell	-740,000.000	FITX	\$0.0588	\$39,918.84
06/03/14	06/03/14	06/08/14 Sell	-800,000.000	FITX	\$0.0584	\$33,274.07
06/02/14	06/02/14	06/05/14 Sell	-1,000,000.000	FITX	\$0.0591	\$58,171.74

Probably the most egregious aspect of all of this is that while Bill was quietly dumping shares, he would go on Creative Edge's Facebook and urge his shareholders to remain patient.

The context for this exhortation was amid the firestorm caused by Bill's deliberate attempt to humiliate notorious Twitter Mogul, @TheWolfofWeedSt. His response was less than apologetic,

"My actions were out of frustration and passion for how much I believe in integrity and I ask the shareholders of FITX and my colleagues in the industry for patience as I apologize for the unconventional practices that caught the attention of many that we hope to utilize positively to raise awareness on paid bashing, financial conflicts of interest and social media outlet utilization for personal gain via stock manipulation."

Bill Chaaban has yet to supply evidence of this so-called "paid bashing." To this date, Mr. Chaaban has not apologized for his misconduct and possible violation of Michigan Rules of Professional Conduct. Such violations may cost Mr. Chaaban his ability to practice law in the state of Michigan. On top of all of that, Bill has not formally discussed the selling of his shares with shareholders.

Red Flag #6: The Questionable Existence of RXNB Prior to 11/2013

Notwithstanding the Bill Chaaban drama, a press release dated January 31st touts a "licensing agreement" with the illustrious company, RXNB. According to the press release, "RXNB Inc. has a portfolio valuation of \$110 million dollars and approximately \$27.5 million dollars in annual revenue." The press release describes RXNB as,

"An investment company with holdings in drug formulation, manufacturing, and distribution. It also has a pharmacy division, which dispenses prescription drugs direct to approximately 50,000 patients per month in the USA."

I was able to track down RXNB Inc. The company appears to have been incorporated only 2 months prior to that January 2014 press release.

R.X.N.B., INC.	
New Search	Search History
Calculate Lien Fees	
Business Entity Information	
Status:	Active
Type:	Domestic Corporation
Qualifying State:	NV
Managed By:	
NV Business ID:	NV20131681335
File Date:	11/20/2013
Entity Number:	E0562662013-6
List of Officers Due:	11/30/2014
Expiration Date:	
Business License Exp:	11/30/2014
Additional Information	
Central Index Key:	E056266201
Registered Agent Information	
Name:	REGISTERED AGENT SOLUTIONS, INC.
Address 1:	4625 WEST NEVSO DR SUITE 2
Address 2:	LAS VEGAS
State:	NV
Zip Code:	89103
Phone:	
FAX:	
Mailing Address 1:	
Mailing Address 2:	
Mailing City:	
Mailing State:	NV
Mailing Zip Code:	
Agent Type:	Commercial Registered Agent - Corporation
Jurisdiction:	CALIFORNIA
Status:	Active
View all business entities under this registered agent	
Financial Information	
No Par Share Count:	0
Capital Amount:	\$ 50,000.00
Par Share Count:	50,000.00
Par Share Value:	\$ 1.00
Officers	
<input type="checkbox"/> Include Inactive Officers	
President - WISAM ALAWIEH	
Address 1:	29235 STEPHENSON HIGHWAY, SUITE 200
Address 2:	
City:	MADISON HEIGHTS
State:	MI
Zip Code:	48071
Country:	USA
Status:	Active
Email:	
Secretary - WISAM ALAWIEH	
Address 1:	29235 STEPHENSON HIGHWAY, SUITE 200
Address 2:	
City:	MADISON HEIGHTS
State:	MI
Zip Code:	48071
Country:	USA
Status:	Active
Email:	
Director - WISAM ALAWIEH	
Address 1:	29235 STEPHENSON HIGHWAY, SUITE 200
Address 2:	
City:	MADISON HEIGHTS
State:	MI
Zip Code:	48071
Country:	USA
Status:	Active
Email:	
Treasurer - BAHIGE CHAABAN	
Address 1:	29235 STEPHENSON HIGHWAY, SUITE 200
Address 2:	
City:	MADISON HEIGHTS
State:	MI
Zip Code:	48071
Country:	USA
Status:	Active
Email:	

The only two officers of record are treasurer/director, Bahige (Bill) Chaaban, and President/director/secretary Dr. Sam Alawieh. Dr. Alawieh joined the FITX team mid-June, 2013 prior to the FDA Nationwide recall of nearly 135 products produced out his pharmacy Rxtra Solutions.

(click to enlarge)

Safety

© Home © Safety © Recalls, Market Withdrawals, & Safety Alerts

Recall -- Firm Press Release

FDA posts press releases and other notices of recalls and market withdrawals from the firms involved as a service to consumers, the media, and other interested parties. FDA does not endorse either the product or the company.

Beacon Hill Pharmacy d/b/a Rxtra Solutions Issues Voluntary Nationwide Recall of Certain Sterile Products Due to a Question of Sterility Assurance

Contact:
Consumer:
Dr. Wissam Alawieh, Pharm.D.
(800) 518-9831

The recall was voluntary but the FDA report included 13 observations that questioned the company's compliance with FDA regulations,

1. Procedures designed to prevent microbiological contamination of drug products purporting to be sterile are not established.
2. Equipment and utensils are not cleaned, maintained, and sanitized at appropriate intervals to prevent contamination that would alter the safety, identity, strength, quality or purity of the drug product.
3. There are no written procedures for production and process controls designed to assure that the drug products have the identity, strength, quality and purity they purport or are represented to possess.
4. Each batch of drug product purporting to be sterile and pyrogen-free is not laboratory tested to determine conformance to such requirements.
5. Equipment used in the manufacture, processing, packing or holding of drug products is not of appropriate design and suitably located to facilitate operations for its intended use.
6. There is no written testing program designed to assess the stability characteristics of drug products.
7. Drug product containers and closures were not sterilized and processed to remove pyrogenic properties to assure that they are suitable for their intended use.
8. Each lot of components, drug product containers, and closures is not withheld from use until the lot has been sampled, tested, examined, and released by the quality control unit.
9. Time limits are not established when appropriate for the completion of each production phase to assure the quality of the drug product.
10. The responsibilities and procedures applicable to the quality control are not in writing and fully followed.
11. Testing and release of drug product for distribution do not include appropriate laboratory determination of satisfactory conformance to the identity and strength of each active ingredient prior to release.
12. The establishment of specifications, sampling plans, test procedures, and laboratory control mechanisms including any changes thereto, are not drafted by the appropriate organizational unit and reviewed and approved by the quality control unit.
13. The batch production and control records are deficient in that they do not include documentation of the accomplishment of each significant step in processing.

Here's a page out of the report.

(click to enlarge)

NAME AND TITLE OF INDIVIDUAL TO WHOM REPORT IS MADE	
TO: Wisam (NMI) Alawieh, President/CEO	STREET ADDRESS
Beacon Hill Medical Pharmacy, P.C.	18161 W 13 Mile Rd
CITY/STATE/ZIP CODE/COUNTRY	Suite A1
Southfield, MI 48076-1113	TYPE ESTABLISHMENT ASPECTED
	Producer of Drug Products

stoppers were observed to be placed on a tabletop in an unclassified laboratory environment. These vials were later moved to a freezer for storage prior to lyophilization.

- iv. [REDACTED] (b)(4), used to [REDACTED] (b)(4) non-sterile bulk drug product into finished product vials, have not been evaluated for use in that:
 - a. Quantitative testing to ensure the integrity of the [REDACTED] (b)(4) is not performed subsequent to filling operations. As stated by personnel, though not documented, a qualitative/tactile test is performed on such prior to [REDACTED] (b)(4).
 - b. The bioburden of non-sterile drug products has not been evaluated to determine whether the sterilizing process [REDACTED] (b)(4) is adequate to remove the microbiological load.
- v. Environmental monitoring is not performed during sterile filling activities to evaluate the quality of the aseptic processing environment and assess whether aseptic conditions are maintained. The environmental monitoring program is deficient in that:
 - a. Viable passive air monitoring is performed inside the aseptic processing [REDACTED] (b)(4) every [REDACTED] (b)(4) (performed on a [REDACTED] (b)(4) basis prior to April 2013) during static conditions. Active viable air monitoring is not performed at any time.
 - b. Viable surface monitoring is not always representative of worst case conditions in the aseptic processing [REDACTED] (b)(4), as such monitoring can be performed at any time including immediately after cleaning. Viable surface monitoring is performed every [REDACTED] (b)(4).
 - c. Media test kits used for environmental monitoring are not qualified for use, specifically, growth promotion studies are not conducted.
 - d. Non-viable particulate monitoring is not performed during each production shift, rather, it is performed by a contracted firm every [REDACTED] (b)(4) during static conditions.
 - d. No data was provided to support that the incubator used to incubate environmental monitoring samples has been qualified for its intended use. [REDACTED] (b)(4) Directions for Use states, [REDACTED] (b)(4). The incubator temperature is set to [REDACTED] (b)(4), however the thermometer used to monitor this temperature has not been calibrated and temperature mapping of the incubator has not been performed.
- vi. SOP 9.039.1, *Visual Inspection of a Finished Preparation*, states "All finished preparations from the clean room, pelet room, and cream/capsule hood will be visually examined before they leave the compounding pharmacy" ... "For parenterals, hold the preparation up to the light source within the room and visually examine for particulate matter". Documentation of such was not provided for any lots of sterile injectable products, and additionally, a visual examination was not performed after filling and prior to labeling of six vials of Testosterone Cypionate lot 07012013@5 on 7/2/13 or two vials of Magnesium Chloride lot 07032013@7 on 7/3/13.

It is my guess that the "pharmacy" wholly owned by RXNB must be Rxtra Solutions. The description seems to match. Based on this report, I would have to disagree with Bill Chaaban's "extreme excitement" of entering "a licensing and technology transfer agreement with RXNB Inc."

Although Rxtra Solutions couldn't pass an FDA inspection, Bill believes that it can "significantly reduc[e] the traditional grow cycle for medical marijuana."

Conclusions

To review:

1. Out of all the prospective MMPR applicants that are publicly traded, FITX is the most expensive. Its market cap is double that of an actual licensed MPPR. Without an MPPR license, I believe the company is worth no more than \$5 million, which would translate to a -97.5% drop in market cap.
2. The misleading and false press releases are almost innumerable. The company first caught itself in a lie when it stated that it had received required municipal approval in November 2013. **It had not.** Subsequently,

the company knowingly hyped an inaccurate **Forbes** article dated December 30th, 2013, which stated FITX received an MMPR license. FITX did not make significant efforts to correct the error. Instead, FITX only encouraged the hype.

3. The company issued nearly 500 million shares to a controversial individual who has been accused by the SEC of orchestrating a pump and dump. In 2012, the individual and his company were issued 78 million shares. These shares were presumably dumped, as they were not reported on the 2013 restricted share list. In 2013, the company issued the same individual an additional 417 million or 12.5% stake in the company. The SEC case against the individual has not been closed as of yet.

4. According to the 2013 annual disclosure report, 75.92% of the total outstanding common stock has been issued to insiders nearly all at .001 a share. These shares have been coming unlocked this year. From July 25th till September 6th, 2013 an additional 1.5 billion shares will be unlocked.

5. Evidence shows that in 2014, CEO of FITX, Bill Chaaban, has sold and has proposed to sell the maximum allowable amount from April till June. This is the equivalent of 1% of the total outstanding common stock or 33424175. Bill has not discussed the reasons for selling with his shareholders.

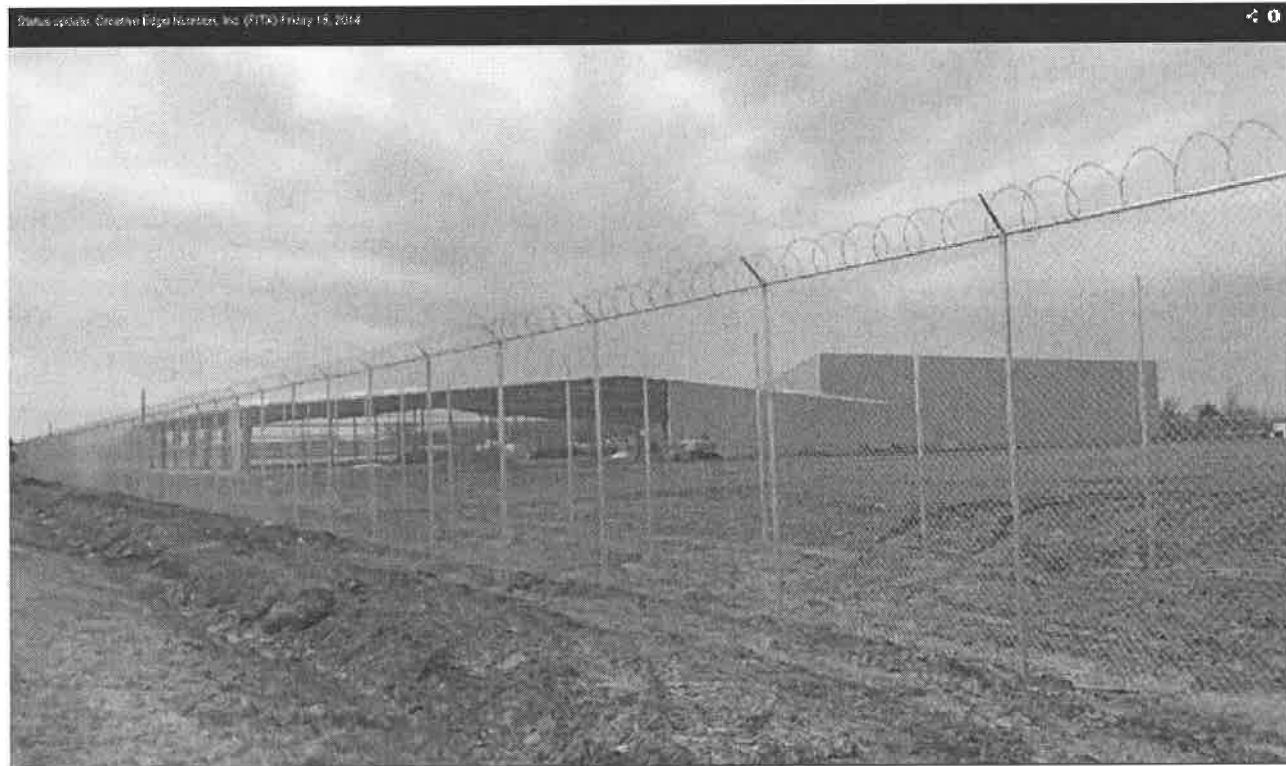
6. Dr. Sam Alawieh, President/Director/Secretary of RXNB Inc., issued a national recall for all products produced out of his pharmacy Rxtra Solutions last year. The FDA made 13 observations that questioned the company's compliance with mandatory regulations. It was also discovered that RXNB was incorporated only in November of 2013.

FITX still does not have an MMPR license for its subsidiary Cen Biotech. Based on the six red flags discussed, I am not confident that FITX is a wise investment. I would recommend avoiding this company altogether. However, if you feel the need to own shares of the company, I would personally wait till they at least receive the required municipal approval. Without that, you would be investing in a poorly performing nutraceutical company, whose biggest claim to fame is an overpriced barn.

Addendum:

Here's a screen grab of a video posted April 18th, 2014 of Cen Biotech's half completed barn.

(click to enlarge)



The videographer notes: "Fence is not complete . . . They started half way and they are incomplete . . . There are no cameras in sight . . . There's construction trucks here but nothing is being done . . . Work has stopped on the big building." As stated above, without municipal approval they are not allowed to finish the build-out of the facility.

(click to enlarge)



Editor's Note: This article covers a stock trading at less than \$1 per share and/or with less than a \$100 million market cap. Please be aware of the risks associated with these stocks.



Matthew Finston (789 followers)

Value, contrarian, social theorist, perspective

